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March 30, 2006

Robert E. Feldman
Executive Secretary
Attn: Comments/Legal ESS
Room 3060
Federal Deposit Insurance Corporation
550 17th St. N.W.
Washington, DC 20429

Dear Mr. Feldman:

We are writing to urge the FDIC to deny the application by Wal-Mart Stores, Inc., for federal deposit insurance for its proposed Utah industrial bank that would give it the opportunity to engage in interstate retail branch banking.

We have concerns that the approval of Wal-Mart's proposed ILC will create competitive inequities and unlevel competitive playing field. As Federal Reserve Governor Mark Olson put it: "Allowing a commercial firm to operate a nationwide bank outside of the supervisory framework established by Congress for the owners of insured banks raises significant safety and soundness concerns and creates an unlevel competitive playing field." By granting federal deposit insurance for Wal-Mart's proposed bank, the playing field will be skewed even more in their favor. In the future Wal-Mart could amend their charter to pursue the operation of retail branch banks outside of the supervisory framework of the Federal Reserve.

Having access to capital resources is important for independent grocers. To the extent a Wal-Mart bank will reduce the number of competitive sources of capital and financial services; it could adversely affect community businesses. This scenario poses profound policy questions. If the world's largest retailer is permitted to open branch banks, then the separation of banking and commerce will no longer exist and there will be an even greater concentration of the company's economic power. It will hurt independent businesses in the community and, by extension, the community itself.

On March 8, 2006, the House of Representatives passed H.R. 3505 with language known as the Gillmor-Frank Compromise prohibiting ILCs held or controlled by a commercial firm from interstate branching. We support the Gillmor-Frank Compromise as a good first step to maintaining a level playing field. The next step is for Congress to provide for consolidated supervision over ILC parent companies and their affiliates to assure that the federal safety net is sound. Until Congress acts, FDIC should deny this application for federal deposit insurance on behalf of Wal-Mart's proposed Utah industrial bank.

For all of these reasons, we urge the FDIC to deny Wal-Mart's application for federal deposit insurance.

Sincerely,

Mark Batenic
Executive Vice President and COO
CLEMENS MARKETS, INC.